

## **REMARKS**

Applicants reply to the Examiner's comments in the Advisory Action mailed on October 3, 2007, and submit these remarks. Claims 1-15, 41, 55-57, and 60 were pending in the application and the Examiner rejects claims 1-15, 41, 55-57, and 60. Applicants add new dependent claim 68. Support for the new claim and the amendments may be found in the originally-filed specification, claims, and figures. No new matter has been introduced by the new claim and amendments. Reconsideration of this application is respectfully requested.

Applicants thank the Examiner for the Interview with Applicants' counsel on October 16, 2007. Per the Examiner's recommendations, Applicants amend claim 1 to specify that the steps of the claim are performed by a host computer system.

As pointed out by Applicants' counsel during the Interview, the presently claimed invention enables reward points to be calculated and issued along multiple tiers based on a single purchase. As claimed, the mapping of UPC with SKU data enables a retailer, a manufacturer, and a group of affiliated merchants to each calculate reward points based on their own formulas. The points from each entity are then combined within a loyalty account of the purchaser. The combination of three different types of points from three different entities is significant because a loyalty account participant may much more quickly accumulate reward points than the prior art loyalty account systems which only allowed, for a particular purchase, accumulation of points from one entity. Moreover, the presently claimed invention allows each of the three entities can award different types, amounts and ratios of loyalty points based on different criteria. As a result, a consumer would more likely facilitate purchases using a credit card that is associated with the disclosed loyalty account which allows for three different types of points from three different entities.

Moreover, Applicants' counsel noted that it would not be obvious, under the Deaton reference, to use SKU data according to the Deaton reference. As argued in the previously filed Office Action Reply, and stated during the Interview, Deaton does not disclose the use or capture of a SKU during a purchase transaction. In contrast, merchants currently only capture SKU data, so to implement the Deaton system, it would be necessary for merchants to significantly modify their existing POS systems to capture a UPC, instead of the SKU. More significantly, since the Deaton system needs to analyze collected UPC data with stored UPC data, the Deaton system requires merchants to maintain a complex and large database of all UPCs for every product they sell. Each UPC would be necessarily linked with price, inventory, and discount data for each item.

During the interview, the Examiner stated that, while Deaton does not specifically disclose scanning a SKU, it would obvious that the Deaton system would include a SKU, as this is the common practice in the industry. However, Applicants assert that **Deaton specifically and consistently discloses scanning only a UPC code at the point of sale**; the UPC code being linked to a product description and product price. Specifically, Deaton discloses:

“A scanned item may include a product for purchase, a coupon being redeemed, or suitable other item bearing a scannable code. **Based upon the signal indicative of the UPC bar code, a price is associated with the item as well as a description of the scanned item**” (column 7, lines 17-21, emphasis added)

Therefore, Deaton requires a merchant to switch from a SKU based POS system, to the very specialized UPC based POS system in order to offer the disclosed customer discounts from the manufacturer. One of ordinary skill in the art would immediately appreciate that requiring a merchant to undergo such modification would be very expensive, labor intensive, and most likely, not at all practical.

In contrast, the presently claimed invention requires little or no modification to existing merchant POS systems and the standard POS procedures that merchants employ. **In particular, the presently claimed invention allows the merchant to simply collect SKU data in the normal course, then the host determines the corresponding UPC data which, in turn, allows for three entities to provide loyalty points in a way never imagined by current merchants.**

In light of the foregoing, Applicants respectfully request the Examiner to consider the below arguments differentiating the presently claimed invention from the Deaton reference.

#### **Rejections Under 35 U.S.C. § 103**

The Examiner rejects claims 1-56, 58, 60, 62, 64-67 under 35 U.S.C. § 102(e) as being anticipated by Deaton et al., U.S. Patent No. 6,292,786 (“Deaton”). Applicants respectfully traverse the rejection.

Deaton generally discloses a system to enable product manufacturers to generate and present incentives in real-time at the point of sale (POS). The Deaton system receives product purchase information from a merchant POS. The product purchase information includes a Universal Product Code (UPC), product price, a customer identification code, and the like. The manufacturer must be heavily involved in each transaction by determining whether to offer an incentive to each customer

based on the particular purchase information. In the Deaton system, the manufacturer must create an incentive and transmit it to the retail POS so that the customer can receive benefit of the incentive before the sale is consummated.

Deaton seeks to overcome the disadvantages of prior art marketing methods, wherein incentives are offered based on survey related information. Such prior art methods are only able to provide manufacturers with information that would have been beneficial to their marketing efforts had the information been known earlier. Thus, the Deaton system enables the manufacturer to generate and offer incentives based on real-time information as provided by merchants. Because Deaton provides incentives at the POS, the customer is already in the process of facilitating the purchase. The earliest processing point is during the sales transaction that Deaton discloses receiving a UPC. The POS transmits the UPC along with other purchase data to the UPC server. **However, Deaton does not disclose capturing and/or processing Stock Keeping Unit (SKU) numbers** as is common practice among merchants. A SKU is a retail item identifier that enables merchants to determine an item price, verify inventory, and provide discounts. **Deaton does not disclose the use of a SKU during a purchase transaction, thus, it would be necessary for merchants to significantly modify their existing POS systems to capture a UPC instead of the SKU. More significantly, the Deaton system requires merchants to maintain a complex and large database of all UPCs for every product they sell. Each UPC would be necessarily linked with price, inventory, and discount data for each item.**

Those of ordinary skill in the art will appreciate that a UPC is defined by the manufacturer. Therefore, in order to know who the manufacturer is, it is vital that the Deaton server be provided with UPC codes from various participating manufacturers in advance, so the server can determine the appropriate manufacturer. However, a system which receives and stores UPC codes from various manufacturers is not disclosed by Deaton. Moreover, Deaton discloses the use of UPC codes at the POS to determine a manufacturer issued discount. Deaton, as disclosed, **lacks the ability to issue rewards across a number of tiers based on a single purchase transaction, wherein each tier may offer its own set of reward points. For example, the merchant offers a first set of reward points, manufacturer offers a second set of reward points, merchant grouping (e.g., shopping mall) offers a third set of reward points, etc.)** As such, Deaton does not disclose or contemplate at least, “retrieving a manufacturer item identifier corresponding to said retail item identifier”, or “calculating a first set of reward points based on said consumer ID, said purchase price and a first currency to point ratio corresponding to said merchant item identifier;

calculating a second set of reward points based on said consumer ID, said purchase price and a second currency to point ratio corresponding to said manufacturer item identifier; calculating a third set of reward points based on said consumer ID, said purchase price and a third currency to point ratio corresponding to affiliated Service Establishment (SE) numbers; and, combining said first set of reward points, said second set of reward points, and said third set of reward points within a loyalty account associated with said consumer ID," as recited by independent claim 1.

The remaining dependent claims variously depend from independent claim 1. As such, the dependent claims are allowable for at least the reasons set forth above, as well as in view of their own respective features.

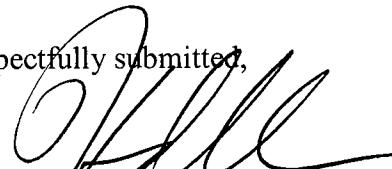
**Rejections Under 35 U.S.C. § 103**

The Examiner rejects claims 57, 59, 61, and 63 under 35 U.S.C. § 103(a) as being unpatentable over Deaton in view of Official Notice. Applicants respectfully traverse the rejection.

Remaining claim 57 variously depends from independent claim 1. As such, dependent claim 57 is allowable for at least the reasons set forth above with respect to the cited reference, as well as in view of its own respective features.

New claim 68 variously depends from independent claim 1. As such, dependent claim 68 is allowable for at least the reasons set forth above with respect to the cited references, as well as in view of its own respective features.

Applicants respectfully submit that the pending claims are in condition for allowance. The Commissioner is hereby authorized to charge any fees, which may be required, or credit any overpayment, to Deposit Account No. 19-2814. Applicants invite the Examiner to telephone the undersigned if the Examiner has any questions regarding this Reply or the present application in general.

Respectfully submitted,  
  
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